



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

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GOVERNOR

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COMMISSIONER OF ADMINISTRATION

December 23, 2002

MEMORANDUM OSRAP 03-20

TO: Fiscal Officers
All ISIS Agencies

FROM: F. Howard Karlton, CPA, CGFM
Director

SUBJECT: Calendar Year 2002 - 1099 Processing

The AFS 1099 process will be run during the December monthly close process on January 7, 2003. This process will create the 1099 Table and reports. Agencies should begin reviewing and processing manual additions, changes, and deletions to their 1099 data on the morning of January 8, 2003, continuing through the close of business (COB) January 17, 2003. **All manual adjustments must be entered in AFS by COB January 17, 2003.** The 4G01 1099 Turnaround Report and the 4G02 1099 Adjusting Transactions by Vendor Report are currently in BUNDL for your review under mail code "ISFGFS". These BUNDL reports will be updated with December data on January 7, 2003. The reports are sorted based on the agency type used on the AGC2 table in AFS. The reports will be archived for a period of three years.

Each agency is responsible for retrieving and printing their portion of each report and ensuring that the information listed on the tables and reports is correct. It is the responsibility of the agency to make the necessary manual adjustments directly to the 1099 tables after reviewing the 1099 table and BUNDL reports. The 1099 tables will be created for ALL 1099 reportable payments, regardless of amounts. When the 1099 table entries are processed to create the 1099's on January 17, a 1099 will only be generated for 1099 reportable vendors paid \$600 or more using 1099 reportable objects during the 2002 calendar year, or to those vendors subject to backup withholding, regardless of income amounts.

The 1099s will be printed in-house by OSRAP using Convey Compliance software on a single sheet of paper (8.5 x 11). These forms will be forwarded to the agencies by 1/22/03. The agencies are to copy and mail the 1099s to the vendors on or before 1/31/03. The forms should be 'Z' folded and placed in a window envelope. You need to order the envelopes that have the window placed ½ inch

from the bottom from Lakal Envelope Company Inc. This company is the vendor on state contract for this type of envelope. The contract number is 405157 and the vendor code is 721314991 00. If you need assistance placing your order, call Mr. Leo Geraci at (504) 467-8111. Orders may be faxed to them, and you will need to provide the return address you want printed on the envelopes in your fax. Agencies also have the option of producing labels using InfoMaker and word processing software.

The 1099's and the electronic file sent to the Internal Revenue Service (IRS) will generate from the information on the 1099 table as of January 17, 2003. Should it be necessary to correct the 1099 information after January, agencies are to mail the changes to the OSRAP at the address below to the attention of Mr. Gary Andrus. OSRAP will transmit all corrections electronically to the IRS.

The 1099 process includes all transactions (payment vouchers, journal vouchers, manual warrants, check cancellations, cash receipts, etc) in accounting periods 07 02 through 06 03 that have issued checks or been accepted by 1/7/03.

If you have paid another state agency using their 1099 reportable vendor code and a 1099 reportable object code, then you need to delete the 1099 table entry. This will also apply to payment vouchers that agencies input to their own 1099 reportable vendor code.

In order for the system to generate entries on the 1099 table and on reports, the following criteria must be met:

1. The agency type must exist on the AFS AGTP table, and a 1099 reportable master vendor record must exist for the FEIN associated with the agency type on the AGTP table.
2. The vendor code to which payments were issued is 1099 reportable.
3. The payments were coded using a 1099 reportable object code.
4. The FEIN associated with the vendor has one and only one master vendor code.

MANUAL ADJUSTMENTS TO THE 1099 TABLE

For manual adjustments to the 1099 table, you must first log on to AFS regardless of which subsystem of ISIS generated the payment. All manual adjustments will

require an entry on the 99TX table of AFS before an entry is added, changed, or deleted from the 1099 table. New entries to the 1099 table require that the FEIN exist on the AFS MVEN table. Vendors may be made 1099 reportable and the master vendor indicator may be changed to "Y" during the period of January 8, through January 17, 2003. **OSRAP will not change a vendor to non-1099 reportable or change a vendor's master vendor indicator to "N" during the period of January 8, through January 17, 2003. These types of changes will be held until after the 1099 process is complete.**

Adding Text to the 99TX Table

1. Type "99TX" in the TABLEID.
2. Press Enter.
3. Type "A" in ACTION
4. Enter the following data in the corresponding fields:
 - a. YR – 2 digits. Enter 02 for calendar year 2002.
 - b. RETURN TYPE – 1 character. Enter "A" for 1099-MISC or "G" for 1099-G.
 - c. AGCY TYPE – 4 characters. Enter your agency type as determined from the AGTP table in AFS for FY 02 in the format, A***.
 - d. FEIN/SSAN - 9 digits. Enter the Tax Payer Identification Number associated with the vendor to whom adjustments to the 1099 reportable income are to be made. (The FEIN/SSN from the body of the AFS VEN2 or AGPS VENC tables).

NOTE: There must be a MVEN record for the FEIN/SSAN entered.

- e. INCOME TYPE – 1 character. Payee income type being adjusted. For Return Type A - 1= Rents 6= Medical 7= Non-Employee Compensation C= Attorney Gross Proceeds. For Return Type G - 6= Taxable Grants.

- f. TEXT – 70 characters per line/11 lines. An explanation of the adjustment being made. For example, "Vendor not paid with 1099 reportable object code in error".

NOTE: Text does not "wrap".

- g. LINE – 3-digit line number for the text entered.
5. Press Enter. Receive the message "ALL LINES ADDED" at the bottom of the screen. If error message appears, correct the errors and repress ENTER.

Adding a New Entry to the 1099 table (Enter one line of data per income type).

1. Type "1099" in the TABLEID.
2. Press Enter.
3. Type "A" in ACTION.
4. Enter the corresponding data in the following fields:
 - a. CAL YR – 2 digits. Type "02" for calendar year 2002.
 - b. RET TYPE – 1 character. Enter "A" for 1099-MISC or "G" for 1099-G.
 - c. AGCY TYPE – 4 characters. Enter your agency type as determined from the AGTP table in AFS for FY 02 in the format, A***.
 - d. FEIN/SSAN – 9 digits. Enter the Tax Payer Identification Number associated with the vendor to whom adjustments to the 1099 reportable income are to be made. (The FEIN/SSAN from the body of the AFS VEN2 or AGPS VENC tables).

NOTE: There must be a MVEN record for the FEIN/SSAN entered.

- e. INCOME TYPE – 1 character. Payee income type being adjusted. For Return Type A - 1= Rents 6= Medical 7= Non-Employee Compensation C= Attorney Gross Proceeds. For Return Type G - 6 = Taxable Grants.

- f. MISAPPLIED AMT – 15, 2 digits. Adjustment amounts from a transaction which is recorded in AFS, and/or
- g. OUTSIDE AMT – 15, 2 digits. Adjustment amount attributable to a transaction not recorded in ISIS (i.e., agency side system).

NOTE: Enter either the decimal place or include a value for cents in the MISAPPLIED AMT and OUTSIDE AMT fields. For example, 2815 was entered and the system read it as \$28.15. If 281500 is entered, the system will interpret this as \$2815.00.

- 5. Press Enter. Receive the message "ALL LINES ADDED" at the bottom of the screen. If error message appears, correct the errors and repress ENTER.
- 6. Verify that the ADJUSTED 1099 field contains the correct amount.

NOTE: The "1099 Amt Revised field" is optional. There are no edits on the amount entered. You may use it to compare expected totals to the system generated total in the "Adjusted 1099 field"

Changing an existing 1099 Table Entry

- 1. Enter "1099" in the TABLEID.
- 2. Press Enter.
- 3. Type "G" in the ACTION to access the applicable 1099 record.
- 4. Enter the corresponding data in the following fields:
 - a. CAL YR – 2 digits. Type "02" for calendar year 2002.
 - b. RET TYPE – 1 character. Enter "A" for 1099-MISC or "G" for 1099-G.
 - c. AGCY TYPE – 4 characters. Enter your agency type as determined from the AGTP table in AFS for FY 02 in the format, A***.
 - d. FEIN/SSAN – 9 digits. Enter the Taxpayer Identification Number associated with the vendor to whom adjustments to the 1099

reportable income are to be made. (The FEIN/SSAN from the body of the AFS VEN2 or AGPS VENC tables).

NOTE: **There must be a MVEN record for the FEIN/SSAN entered.**

e. INCOME TYPE – 1 digit. Payee income type being adjusted. For Return Type A - 1= Rents 6= Medical 7= Non-Employee Compensation C= Attorney Gross Proceeds. For Return Type G – 6= Taxable Grants

5. Press Enter. The requested record will appear on the screen.

6. Types "C" in the ACTION.

a. MISAPPLIED AMT – 15, 2digits. Adjustment amounts from a transaction which is recorded in AFS, and/or

b. OUTSIDE AMT – 15, 2 digits. Adjustment amount attributable to a transaction not recorded in ISIS (i.e., agency side system).

NOTE: **Enter either the decimal place or include a value for cents in the MISAPPLIED AMT and OUTSIDE AMT fields. For example, 2815 was entered and the system read it as \$28.15. If 281500 is entered, the system will interpret this as \$2815.00. If the amount recorded should be reduced, precede the amount with the negative sign (-). For example, you wish to reduce a vendor's income by \$234.00. Enter -234.00 or -23400.**

7. Press Enter. Receive the message "ALL LINES CHANGED" at the bottom of the screen. If error messages appear, correct the errors and repress ENTER.

8. Verify that the ADJUSTED 1099 field contains the correct amount.

Deleting an Existing 1099 Table Record

1. Type "1099" in the TABLEID.

2. Press Enter.

3. Type "G" in the ACTION.

4. Enter the corresponding data in the following fields:
 - a. CAL YR – 2 digits. Type "02" for calendar year 2002.
 - b. RET TYPE – 1 character. Enter "A" for 1099-MISC or "G" for 1099-G.
 - c. AGCY TYPE – 4 characters. Enter your agency type as determined from the AGTP table in AFS for FY 02 in the format, A***.
 - d. FEIN/SSAN – 9 digits. Enter the Taxpayer Identification Number associated with the vendor to whom adjustments to the 1099 reportable income are to be made. (The FEIN/SSAN from the body of the AFS VEN2 or AGPS VENC tables).

NOTE: There must be a MVEN record for the FEIN/SSAN entered.

- e. INCOME TYPE – 1 digit. Payee income type being adjusted. For Return Type A - 1= Rents 6=Medical 7= Non-Employee Compensation C= Attorney Gross Proceeds. For Return Type G – 6= Taxable Grants.
5. Press Enter. The requested record will be displayed on the screen.
6. Type "D" in the ACTION.
7. Press Enter. Receive the message "ALL LINES DELETED" at the bottom of the screen. If error message appears, correct the errors and repress ENTER.

Please provide copies of this memorandum to the individuals at your agency who actually perform the tasks detailed above. Should you have questions concerning this memorandum, please call the OSRAP Help Desk at (225) 342-1097. Remember, all OSRAP memorandums and forms may be accessed through our home page at <http://www.state.la.us/OSRAP/INDEX.HTM>.

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